

GUATEMALA

SECTOR:	Agriculture
PROJECT NAME:	Support for Restructuring of Goods and Agriculture Production (1153/OC-GU)
TOTAL COST:	\$42 million
FINANCING:	
IDB	\$33 million
LOCAL	\$ 9 million
DATE OF APPROVAL:	December 2, 1998
GENERAL DESCRIPTION:	<p>This program to increase the competitiveness of the food and agriculture sector, invigorate economic growth, and reduce poverty has two subprograms: (a) support for the government in managing the Ministry of Agriculture and Food (MAGA) during its restructuring; and (b) a technical cooperation (TC) to improve the regulatory framework for development of foreign trade. The MAGA-restructuring subprogram has four components: (a) the Competitive Technological Development Fund for Food and Agriculture (AGROCYT); (b) public plant and animal health services and food safety; (c) a pilot program for direct support for forestry; and (d) technical cooperation for comprehensive water resource management. The TC subprogram to develop trade will increase the government's technical capacity to manage the trade liberalization process and the new round of World Trade Organization (WTO) negotiations, and provide technical support for institutional strengthening of the Ministry of the Economy (MINECO) and reducing transaction costs in the foreign trade regulatory framework. The components of the TC subprogram are: (a) the single export window; and (b) administration of trade regulations and negotiations.</p> <p>The AGROCYT will provide nonreimbursable resources for agricultural research. The second component will improve MAGA's capacity to exercise new regulatory mandates as well as execute and supervise plant and animal health and food safety, with regard to the private sector. The following six subcomponents will be implemented: (a) standards and procedures; (b) agricultural quarantine; (c) plant and animal health surveillance; (d) diagnostic laboratory services; (e) registry and control of inputs (agrochemicals, pesticides, biological products, and pharmaceuticals) for agricultural use; and (f) sanitary quality of unprocessed foods.</p> <p>The pilot program for forestry will include: (a) studies to support the National Forest Institute in implementing the pilot program; (b) studies to develop sustainability mechanisms for the program, identifying strategic basins that produce water for municipalities; (c) technical support for small owners and communities; (d) outfitting for program implementation; (e) program promotion and publicity; (f) direct supports or payments for forestry; and (g) program administration and coordination. The comprehensive water management component will design and implement a participatory process for formulating national</p>

water policy, involving analysis and consultation with both government institutions and civil society organizations. The resulting plan will propose a new political framework and a legal and institutional system for water resource management.

The single export window (VUPE) will help streamline procedures for exports in conjunction with the electronic export authorization service (SEADEx) by: (a) simplifying their regulations; (b) identifying, procuring and installing equipment and computer programs to expedite the processing of paperwork, including remote (electronic) access to and processing of applications; (c) designing and implementing an export database; and (d) providing training to personnel and orientation seminars to users. The administration of trade regulations will: (a) identify and develop opportunities to improve tariff quotas; (b) provide communications equipment to administer the quotas and for multilateral trade negotiations; (c) identify priority areas of negotiation in the new agricultural round of the WTO; and (d) explore other measures to increase the efficiency of trade in food and agriculture.

CONSULTANTS:

Consultants will be contracted for every component. For the food safety component, a consulting firm or specialized agency will be contracted through international public bidding to administer the technical assistance (international consultants and fellowships abroad). For the forestry pilot component, international consultants will be hired through local price comparison to work with individual sustainability mechanisms, and a consulting firm will be contracted through international public bidding to do a study of municipal water recharge areas. Other studies, as well as promotion and publicity, will be performed by consultants contracted through national public bidding and local price comparison. Consultants will be contracted for the other components through local price comparison, including two international environmental consultants who will work on the program coordination and administration component. A firm of independent public accountants will be hired to audit the program's financial statements annually.

GOODS AND EQUIPMENT:

Goods will be procured for every program component, including vehicles, computer equipment, office equipment, laboratory equipment (including refrigeration, air-conditioning, glass materials), antigens, and field equipment (including office, quarantine, communications and audiovisual equipment, as well as furniture), mainly through local price comparison. A few lots of vehicles and computer equipment will be purchased through international public bidding.

EXECUTING AGENCIES:

Ministerio de Agricultura, Ganadería y Alimentación
Unidad de Política e Información Estratégica
Calle 6a y Avenida 7
Guatemala City, Guatemala
Tel: (502) 334-1048, 221-256, 253-6816
Fax: (502) 361-7783, 251-9493, 280-596
Contact: Juan Carlos Méndez, Coordinator

Ministerio de Economía
8a Avenida 10-43, Zona
01001 Guatemala City, Guatemala
Tel: (502) 362-4764

Fax: (502) 824-13

Contact: Edith Flores de Molina, Deputy Minister